

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

OCTOBER 1, 1999

IN RE:

**JOINT PETITION FOR *NUNC PRO TUNC*
APPROVAL OF ACQUISITION OF ASSETS
OF ONE STEP BILLING, INC. BY RSL, INC.**

**DOCKET NO.
99- 00177**

**ORDER APPROVING *NUNC PRO TUNC* ACQUISITION OF ASSETS AND
CANCELLATION OF CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY FOR ONE STEP BILLING, INC.**

This matter came before the Tennessee Regulatory Authority ("Authority") on the Joint Petition ("Joint Petition") of RSL, Inc. ("RSL") and One Step Billing, Inc. ("OSBI") for approval of the sale of OSBI's customer base to RSL under Tenn. Code Ann. § 65-4-112. The Directors of the Authority considered this matter at a regularly scheduled Authority Conference held on April 20, 1999.

From the Joint Petition and the record existing in this matter, the Authority has determined the following:

1. RSL and OSBI request that the Authority approve, pursuant to Tenn. Code Ann. § 65-4-112, the transfer of OSBI's customer base to RSL as set forth in the Joint Petition, and as further described below. This transfer was accomplished pursuant to an Asset Purchase Agreement executed on December 9, 1998. Prior to the execution of the Asset Purchase Agreement, OSBI, RSL and RSL's wholly owned subsidiary, LDM Systems, Inc. ("LDM") were parties to a resale agreement whereby OSBI resold the services of RSL and LDM.

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2. OSBI is a corporation organized under the laws of the State of Florida headquartered in Pompano Beach, Florida. OSBI is a nondominant carrier that provides domestic interstate and international telecommunication service, and is authorized to provide domestic intrastate and interexchange service in over forty (40) states including Tennessee. OSBI was granted authorization to provide service in Tennessee by the Authority in Docket Number 97-00904.

3. RSL is a corporation organized under the laws of the State of Delaware with its principal offices located at 430 Park Avenue, 5th Floor, New York, New York 10022. By itself and through its wholly owned subsidiary, LDM and RSL Com PrimeCall, Inc., it is authorized to provide domestic interstate and international telecommunication service, and is authorized to provide domestic intrastate and interexchange service in forty-nine (49) states, including Tennessee. RSL Com USA, Inc. was granted authorization to provide service in Tennessee by the Authority in Docket Number 97-00985.

4. According to the Joint Petition, the parties set forth in the Asset Purchase Agreement that OSBI has agreed to sell to RSL, and RSL has agreed to purchase (a) the right to provide OSBI's customers with telecommunications and services; (b) the right to receive payments from those customers; (c) the exclusive right, title and interest in and to the names "One Step Billing" and "OSBI;" and (d) all of OSBI's accounts receivable. As a result of this agreement, OSBI has decided to cease operations in all states which it is currently certified, thus, as a result, OSBI relinquished its certification in the State of Tennessee.

I. CRITERIA FOR APPROVING MERGER

A merger between regulated public utilities is not valid until approved by the Authority under the provisions of Tenn. Code Ann. § 65-4-112. In addition, under Tenn. Code Ann. § 65-4-101, any entity that owns, operates, manages or controls utility systems, plant or equipment under certification by this Authority, or its predecessor, the Tennessee Public Service Commission, to provide utility service in the state of Tennessee is a public utility. Since this merger involves two entities holding certificates in Tennessee, Authority approval is required under the provisions of Tenn. Code Ann. § 65-4-112(a). This Section provides for the following:

(a) **No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights and franchises of any other such public utility of like character shall be valid until approved by the authority,** even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state. (Emphasis supplied).

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

After consideration of the entire record in this matter, including the Joint Petition, the Directors find and conclude as follows:

1. That the Authority has jurisdiction over the subject matter of the Joint Petition pursuant to Tenn. Code Ann. § 65-4-112;
2. That the proposed sale of assets will be accomplished through a transaction whereby RSL will purchase OSBI's customer base, accounts receivable and the ability to provide service to OSBI's customers;
3. That both RSL and OSBI have been engaged in the business of providing telecommunications services in Tennessee;

4. That after the sale of assets, OSBI will cease to provide telecommunications in the State of Tennessee; and

5. That based upon the foregoing, the sale of assets and cancellation of OSBI's Certificate of Public Convenience and Necessity is reasonable and compatible with the public interest and should be granted.

IT IS THEREFORE ORDERED THAT:

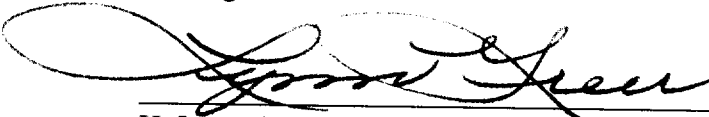
1. The Joint Petition requesting approval of the sale of assets between RSL, Inc. and One Step Billing, Inc. and the subsequent transfer of authority to provide telecommunications services from RSL, Inc. and One Step Billing, Inc. is approved.

2. Upon approval of the sale of assets, RSL, Inc. is hereby authorized to provide service to the former customers of One Step Billing, Inc.

3. The Certificate of Public Convenience and Necessity granted to One Step Billing, Inc. by the Tennessee Regulatory Authority in Docket Number 97-00904 is cancelled.

4. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director

ATTEST:


K. David Waddell, Executive Secretary


Sara Kyle, Director